Audit Committee – 09 March 2015 – Finance System Implementation

Background

The accounting application previously utilised by the finance team was antiquated, out of supplier support and no longer fit for purpose. The system was becoming increasingly unstable and relied on dedicated desktop PC's running obsolete operating systems. A replacement solution was sought to enable tighter financial control, support an accrual based accounting system, provide an appropriate reporting solution and transparency on multiple-budget spend.

The project would seek to replace the current systems (both Excel & SunSystems based) with a single integrated solution.

Original Timescales

The original timescales required the solution to be implemented by early March 2015 in order to allow a short period of bedding in prior to the year end process.

- By end Q2 2014:
    - capture requirements
    - identify candidate solutions
    - Plan a phased implementation
    - select a preferred solution
- By end FY 2014/15 - complete the rollout of the solution

Project update

The system

We have met our strict deadline and achieved our objectives to date, giving us sufficient time to get used to the day to day work before the year end preparation starts.

The new finance system, Microsoft GP, went live on Monday 2nd February 2015, with all new transactions being processed in the new system. All opening balances, suppler details, staff details and all transactions from 2013/14 and 2014/15 were imported and reconciled by the following Friday 13th.

From February month end, we will be launching the new look detailed management accounts that will be included within the management

reporting pack. We will be reporting on an accruals basis from March 2015 onwards.

What next?

Although we are now live in the new system, we still have some way to go in terms of bedding in especially in terms of user acceptability and change management across the wider business.

The accounting function policies and procedures will be developed over the coming months in line with system capabilities.

April 2015

The senior budget holders will be officially briefed as to how their budgets will be reported each month and their formal responsibility to comment and approve on spend in the new financial year. In parallel to this budget level reporting, the new month end procedures will go live across the business to add structure and deadline to month end closedown and subsequent reporting.

June/ July 2015

Work will begin on a new purchase management system in June/ July which will allow budget holders to generate their own purchase orders on an automated sign-off system. This will support the finance team in accrual accounting as well as allowing budget holders to look at committed spend in real time. Although this is not as technically problematic as a full system replacement, it does pose significant risk through change management and requires a significant buy-in from budget holders and wider staff.

Retaining proceeds from civil monetary penalties

Discussions have taken place with the Ministry of Justice, as a change in primary legislation would be required to facilitate the ICO retaining all or part of CMPs. This was generally favourable, but timing was uncertain given the proximity of the general election.